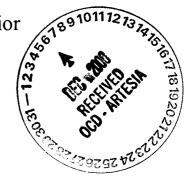


United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Roswell Field Office 2909 West Second Street Roswell, New Mexico 88202

In Reply Refer To: 3162.4 (513) NM-10263



30-005-63**3**25 DEC 05 2003

Yates Petroleum Corporation Attn: Debbie Caffall 105 S. 4th Street Artesia, NM 88210

Dear Ms. Caffall:

We are canceling your Application for Permit to Drill (APD) for the Thomas LN Federal Com Well No. 12, located in Section 14, T. 6 S., R. 25 E., 660'/N & 1980'/W which was approved on January 4, 2005, along with the extension that was approved on January 4, 2006, due to receiving another application for this well.

If you have any question, please contact me at (505) 627-0237.

Sincerely,

/s/ Linda A. Askwig

Linda A. Askwig Land Law Examiner

Cc: I & E (RFO) NMOCD (Artesia)